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**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**OAKLAND DIVISION**

In re

THINKTANK LEARNING, INC.

Debtor

CASE No.: 20-40505-WJL

**MOTION TO CONVERT TO CHAPTER 7**

CHAPTER 11

Date: None Set  
Time: None Set  
Ctrm.: 220

ThinkTank Learning, Inc. as Debtor and Debtor-in-possession in the above-referenced proceeding ("Debtor" hereinafter) respectfully requests that the herein case be converted to a case under Chapter 7 pursuant to 11 U.S.C. §1112(a).

**I. JURISDICTION AND VENUE**

1. This is a core proceeding pursuant to 28 U.S.C. §157(b)(2), which together with 28 U.S.C. §1334 gives the United States Bankruptcy Court for the Northern District of California jurisdiction over this matter.

2. Venue of this case is proper under 28 USC §1408.

## BACKGROUND

3. Debtor filed the herein case on March 3, 2020 as a Subchapter V case.

4. This is a Subchapter V case so a trustee has been appointed, but not the Trustee contemplated by the Code in a non-Subchapter V Chapter 11 case which would displace the debtor as a debtor in possession.

### The Company and its background.

5. Debtor's business plan was "hatched" in 2002 by three UC Berkeley alumni who aspired to offer a more innovative approach to education and high school counselling. It was incorporated in 2003. Through classrooms, one on one tutoring and college application advice it sought to allow each student to achieve his or her maximum potential. Classes were offered in the hard sciences, mathematics, vocabulary and grammar. It offered SAT preparation classes aspiring to allow each student to maximize his or her chances for admission into the University of his or her choice.

6. Debtor. grew rapidly from a 100 square foot office in Cupertino, to the opening of its headquarters in Fremont, CA one year later. Thereafter it opened classrooms in San Mateo and San Francisco. Its success allowed it to establish Think Tank Learning, Inc. China (wholly owned by Think Tank Learning, Inc. CA) with a presence in Shenzhen, Beijing and Shanghai.

7. However, Debtor has fallen into hard times with the shift to internet based learning. Debtor also shifted its business model to internet based learning. However, it has been slow in developing and implementing a robust online sales and marketing plan. Further, with the transition to online business, Debtor began closing brick and mortar operations, creating the perception that it was going out of business. Monthly revenue has dropped from an

1 average of \$535,000 in 2017 to \$354,000 in 2018 to under \$100,000 in 2019. Before the  
2 Covid-19 spread in the U.S., revenue was expected to stabilize at \$30,000-60,000.

3 8. Mr. Ma, the CEO hoped to continue operations so as to pay general unsecured  
4 creditors and student tuition payments back, in full if possible. Pre-petition, debtor sold its  
5 commercial real property to fund operations. Mr. Ma individually sold his residence to  
6 cash flow operations. Mr. Ma envisioned funding a repayment plan with significant  
7 contributions from Mr. Ma personally, from money derived in his outside business  
8 interests, primarily a private high school in China. When Covid-19 hit in China, the  
9 government shuttered the high school choking all revenue. The high school has not  
10 reopened.  
11

12 9. With Covid-19 hitting the U.S. and the Bay Area in particular, Debtor's revenue is  
13 almost zero. Regrettably, there are no longer any prospects for reorganization.  
14

15 Summary of Assets

16 10. Debtor scheduled \$622,286 in assets. However, these include \$204,694 in what  
17 appear to be uncollectible receivables, \$50,000 in software that was expensive to develop but of  
18 questionable market value and a Cessna 182 valued at \$300,000 with a lien against it of \$225,783.  
19 Hence, before costs of sale there appear to be about \$150,500 of collectible assets subject to two  
20 UCC-1 liens in favor of East West Bank in the approximate amount of \$190,000 and about  
21 \$75,000 in equity in an airplane. There is more than \$365,000 of priority debt scheduled, mostly  
22 taxes and wage claims.  
23

24 WHEREFORE, the Debtor respectfully requests that the herein case be converted to a case  
25 under Chapter 7 to allow for an orderly disposition of assets.  
26  
27  
28

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1 DATED: March 19, 2020

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2  
3 By: /s/ Lars T. Fuller

LARS T. FULLER

Attorney for Debtor